

# **2011 Annual WMBE Plan Seattle Public Utilities (SPU)**

## **1. SPU Department Representative**

The Director of the Environmental Justice and Service Equity (EJSE) Division (or designee) will be responsible for SPU's WMBE initiatives. The Division Director will:

- Guide implementation of SPU's WMBE initiatives and manage department progress
- Attend monthly Contracting Equity Interdepartmental Team (IDT) meetings hosted by the Department of Finance and Administrative Services (FAS)
- Share SPU's initiatives, efforts, strategies, and implementation results to the IDT or others as requested
- Attend the City Annual Trade Show in July 2011

In addition, SPU has hired a WMBE Coordinator (replacing a vacant position from 2010) who will begin employment with SPU on April 13<sup>th</sup>. The SPU WMBE Coordinator will also pursue other activities appropriate to our department, including:

- Attend 'Meet & Greet' events sponsored by FAS
- Attend the Regional Contracting Forum
- Attend and/or organize other Citywide, WMBE related activities
- Lead EJSE's internal WMBE Team

## **2. 2011 Aspirational WMBE Utilization Goals for SPU**

### **Proposed 2011 Aspirational WMBE Utilization Goals by type**

- 1. Consulting: 10%**
- 2. Purchasing: 14%**
- 3. Job Order Contracting: \$3.5 million**

The aspirational WMBE utilization goals for consulting and purchasing represent greater than a 10% increase over 2010 WMBE spend for SPU. SPU is one of six capital departments in the City and has established an aspirational goal to increase spend through the Job Order Contracts.

### **Summary of SPU's 2010 aspirational WMBE goal attainment**

	2010 Aspirational Goals	2010 WMBE Spend
Consulting	10%	8.39%
Purchasing	14%	11.68%

*SPU had difficulty meeting 2010 aspirational WMBE spending goals due to the following constraints:*

- a. Limited WMBE consultant partnership opportunities in key Combined Sewer Overflow (CSO) Reduction Drainage & Wastewater projects (i.e. Green Stormwater Infrastructure hydraulic modeling, and testing of surface water quality).
- b. Limited WMBE consultant partnership opportunities in key Drinking Water projects (i.e. water systems forecasting, fisheries and water flow monitoring, dam restoration).
- c. Limited WMBE purchasing opportunities in some of these same SPU Divisions (i.e. rental of large construction equipment including road grading and backhoes at Tolt & Cedar River watershed locations, forestry logging, iron castings and pre-cast concrete vaults).
- d. Already-existing multi-year design & build contracts in the Drainage & Wastewater and Drinking Water line of business (some of which are scheduled to end in 2011).
- e. Underperformance in WMBE utilization occurring in the Utility Systems Management Branch that accounted for 47% of the overall consulting and 39% of the overall purchasing expenditures.
- f. Turnover/retirement of key utility staff who supports WMBE utilization, including the SPU WMBE Coordinator and the Project Delivery Branch assigned WMBE lead position.

*Even with these noted challenges, SPU had numerous successes in 2010, with items a - f continuing in 2011:*

- a. In depth analysis of WMBE spending and future WMBE opportunities in the Project Delivery, Utility Systems Management and Field Operations & Maintenance Branches.
- b. WMBE accountability agreements in the Project Delivery and Utility Systems Branches pushed down to the Division Director level of the organization.
- c. A target list of key spending categories for WMBE consulting and purchasing in Utility Systems Management.
- d. Continued recruitment of newly identified WMBE firms to City Consultant and Purchasing rosters.
- e. Branch and utility-wide comparative WMBE data provided monthly and in multiple formats.
- f. Four out of seven SPU Branches exceeding the 2010 SPU aspirational WMBE goals.
- g. After identifying the opportunity, Field Operations & Maintenance Branch purchase of vector trucks totaling \$842K, and \$283K in customized truck chassis & body work from WMBE vendors.

### **Detailed strategies and actions to support SPU's aspirational WMBE goal attainment**

SPU will primarily focus on the two Branches who spend the most on consultant contracts, yet also historically struggle to meet WMBE aspirational goals. These two Branches have also been asked to set branch specific aspirational WMBE utilization goals for 2011. For greater detail see the responses to Questions #3 and #7 below.

### **3. SPU Branch Specific Strategies and Objectives**

SPU proposes aspirational WMBE spending goals in the Utility Systems Management and the Project Delivery Branches of the utility. Combined, these two Branches spend a majority of consultant dollars and have also historically struggled to meet WMBE aspirational goals. SPU also proposes setting aspirational WMBE goals for these two Branches in 2011.

#### **Utility Systems Management Branch (USM)**

##### **USM Consulting: 8% aspirational WMBE spending goal for 2011**

- In 2010 USM consultant spending comprised 47% of the overall utility spend in this category, of which 5.58% was contracted with WMBE firms.
- USM's strategy is to analyze spending data and to focus on specific projects where WMBE's are underutilized.
- Our USM Branch Deputy will meet quarterly with USM Division Directors to identify areas in which WMBE's can be utilized, and set specific WMBE spending goals for each division. This percentage goal will become part of the Division Director's performance contract.
- The existing list of opportunities for consulting spending will be reexamined, updated, and prioritized.

##### **USM Purchasing: 10% aspirational WMBE spending goal for 2011**

- In 2010, the USM branch's purchase spending comprised 39% of the overall utility spend in this category, of which 7.88% was from WMBE firms.
- USM Branch administrative staff (as a standard procedure) will specifically include WMBE's in the areas of office supplies, printer cartridges, printing services, and catering, whenever possible.
- The Purchasing Services Office regularly provides staff with information about available vendors, including WMBE vendors.
- The existing list of categorical opportunities for purchase spending will be reexamined, updated, and prioritized.

### **Additional USM Combined Sewer Overflow (CSO) Project WMBE Consulting Strategies**

- In order comply with the federal Clean Water Act, CSO overflow reduction projects will continue to be a high level priority for SPU. As a result, multiple consultative partnership opportunities will continue to occur over the next decade. Analysis is currently being conducted to finalize an aspirational WMBE consulting goal for CSO projects. The tentative WMBE aspirational goal range will be between twelve to eighteen percent and will be evaluated over multiple years.

### **Project Delivery Branch (PDB)**

#### **PDB Consulting: 7% aspirational WMBE spending goal for 2011**

- In 2010 PDB consultant spending comprised 29% of the overall utility spend in this category, of which 2.63% was contracted with WMBE firms.
- PDB has been successful at spending consultant dollars using WMBE firms via the Consultant Roster Program. PDB will work with SPU's WMBE Coordinator and the Fleets and Administrative Services Department to explore better ways to report on sub-consultant payments, in addition to seeking prime WMBE contracting opportunities.

#### **PDB Purchasing: 10% aspirational WMBE spending goal for 2011**

- PDB has been successful at spending purchasing dollars using the City's established list of Blanket Contract vendors. The Blanket Contracts leverage the City's buying power with firms, are easy for staff to use and provide a selection of WMBE firms to choose from.

#### **PDB Job Order Contracting: 3.5 million aspirational WMBE spending goal for 2011**

- SPU's "combined" (Facilities & Utilities) aspirational spending goal is \$3.5 million, roughly half of the JOC capacity available.
- PDB currently has one signed work order executed and several others under consideration by all lines of business in SPU.
- Use of a new cost matrix is the current strategy behind increasing participation the new Utilities JOC.

#### **Additional PDB Construction Contract Strategies for 2011**

- Public Works Contracts: Construction contracts will continue to contain Outreach Plans, and new contracts issued in 2011 will require Inclusion Plans.
- Small Construction Projects Roster (SCPR): SCPR will continue to be a contracting method available for Project Managers for small public works projects. SCPR includes large, small, WMBE and non-WMBE firms.

#### **4. SPU Department WMBE Related Training**

##### **WMBE related training that SPU will provide to employees in 2011**

- Beginning in the 2<sup>nd</sup> quarter of 2011, three WMBE Branch Action Teams will provide tailored training to their branch staff, including a close review of spending trends and available WMBE opportunities.
- In the second half of the year, the WMBE support team will make at least two presentations to the SPU Leadership Forum (all SPU supervisors) on updates, highlighted actions, and current strategies for reaching 2011 aspirational goals.
- FAS has agreed to lead training for project managers and other key SPU staff who hold or are planning to secure the services of a consultant. The focus of their training will include adhering to I-200 guidelines, and how to partner and best utilize FAS Purchasing and Contracting support services.

#### **5. Outreach Events and Activities**

SPU will strengthen relationships between SPU Project Managers, City Purchasers and other related staff with business communities, community associations, industry organizations etc. Our newly hired WMBE Coordinator will develop and maintain professional relationships with the above mentioned groups and will ensure that SPU staff members participate in outreach events and activities through:

- Attendance at various other Department-sponsored and SPU generated 'Meet & Greet' type forums and engagement of staff by connecting them with the relevant business communities.
- Dissemination of information gathered from events to appropriate SPU staff, conducting follow up, and evaluating the progress.
- Developing and utilizing an up-to-date contact list by business-type to notify communities of SPU business opportunities through email and regular mail.
- Adjusting/improving the time frame for notifying the business community of opportunities so there is a reasonable amount of time for applications to be completed.
- Submitting monthly/bi-weekly articles in community newsletters regarding upcoming projects that have consultant and purchasing opportunities.
- Continued support of pre-submittal bid events between potential prime contractor & subcontractors.
- Attendance at Tabor 100 Meet and Greet sessions with SPU staff responsible for that particular business area.
- Re-establishing relationships with local and ethnic neighborhood chambers of commerce and other business/communities organizations.

## 6. Consultant Inclusion Plans

All consulting contract proposals over \$44,000 are reviewed by the EJSE Director (or designee) for WMBE business opportunities, and the EJSE Director attends the initial Consultant Strategy Session with our Grants and Contracts section staff.

- If the contract is less than \$260,000 and has meaningful subcontracting opportunities, the EJSE Director requests that an Inclusion Plan be included in the selection and contracting process.
- If the contract is for more than \$260,000, the EJSE Director either participates on the Consultant Evaluation Committee or advises that committee on how to rate the submitted Inclusion Plan.

## 7. Additional Strategies and Efforts

### **Continued support of rate-payer interests**

SPU continues to support rate-payer interests by increasing the pool of consultants, product providers, and contracting firms. Increased competition and bid participation in the contracting process enables SPU to have a broader, more diverse pool of service providers which can result in lower costs to SPU. In 2011, SPU will begin to explore ways to quantify potential cost savings from increased competition.

### **WMBE Branch Action Team Strategies**

WMBE Branch Action Teams are members selected from their respective Branch who have profound knowledge of the business practices of the branch, analytical skills to determine spending habits, and the ability to make decisions and influence change in WMBE branch spending.

- The SPU Department Director and Executive Team have directed their staff, following the lead of the WMBE Branch Action Teams, to develop and implement 2011 inclusion strategies to increase WMBE utilization.
- Branch Action Teams have been successful in implementing change in spending habits for their respective branches and we intend that this continue in 2011.
- Teams will work with the new SPU WMBE Coordinator to identify and create additional WMBE utilization strategies, including tailored training and building WMBE business relationships.
- The teams have developed working relationships with City Purchasing, Seattle City Light and Department of Transportation to continue to identify barriers, share and develop successful strategies, and deepen the teams' knowledge of the WMBE selection processes and parameters.
- The Branch Action Teams and the EJSE WMBE Team will implement a campaign supporting WMBE purchasing strategies in late spring of 2011.